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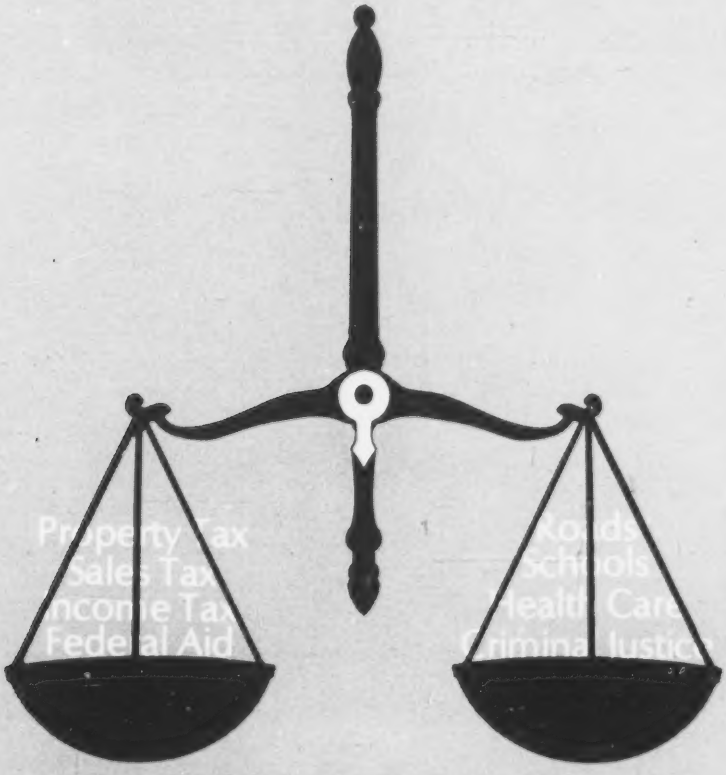
Fiscal Survey of the States 1985

National Governors' Association

National Association of State Budget Officers



FISCAL SURVEY OF THE STATES

July 1985

National Association of State Budget Officers
National Governors' Association

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1985 FISCAL SURVEY OF THE STATES

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EXECUTIVE SUMMARY

State budgeting practices in fiscal 1986 more closely resemble those during recession years rather than recovery years. States are exercising caution in formulating fiscal 1986 budgets due to likely federal cuts in intergovernmental aid; possible elimination of federal deductibility of state and local taxes; and fear of another recession.

Major findings of this survey include:

- Fiscal 1986 general fund budgets will only grow 6.7 percent over last year's, representing a 1.5 percent real growth in expenditures. Fiscal 1985 budgets have grown by 11.4 percent.

- Revenue growth for fiscal 1986 is also low. It is projected to increase only 5.7 percent.

- Year-end general fund balances for fiscal 1985 and fiscal 1986 are $5.4 and $4.2 billion respectively. This represents 2.9 percent of expenditures for fiscal 1985 and 2.1 percent for fiscal 1986. A 5 percent ending balance is considered a reasonable reserve. These are small balances compared to those prior to the recession, when balances of 8-9 percent of expenditures were common.

- There are currently twenty-seven states that have budget stabilization funds. Excluding those states that merge budget stabilization funds with their ending balance, the amount contained in these funds totals $1.9 billion for fiscal 1985 and $2.1 billion for fiscal 1986. This represents about 1 percent of expenditures.

- Twenty-three states raised taxes in 1985, while fifteen states decreased them. The net total tax decrease is $0.7 billion or one-half of 1 percent of state revenues.

- Different regions in the country are experiencing different economic and budget pressures and not all states are sharing equally in the recovery. Those states whose economies are based on mineral and energy industries are experiencing fiscal stress.

1985 FISCAL SURVEY OF THE STATES

Introduction

Governors and legislators worked together in forty-nine states this year to develop fiscal 1986 budget packages that returned some tax rates to pre-recession levels and maintained a tight rein on state spending. Very little real growth is projected in 1986 general fund spending and year-end balances are unusually low. Budgeting practices in fiscal 1986 more closely resemble those during recession years rather than recovery years. States are exercising caution because of possible federal cuts in intergovernmental aid, possible elimination of deductions for state and local taxes on the federal income tax return which would make it more difficult for states to raise taxes, and fear of another recession.

Overall, state fiscal conditions are more stable now after both the 1982-83 recession and 1983-84 economic recovery which necessitated numerous budget and tax changes. Despite more optimistic economic projections, states are continuing to pursue prudent budgeting practices. Most lawmakers are allocating only enough revenue for budgets to offset the costs of inflation, thereby maintaining the same level of services as last year.

Just a few years earlier, most states were forced to substantially raise taxes and cut spending to maintain balanced budgets during the worst recession in recent times. Since then, most temporary tax levies have expired and several states have rolled back other recession-induced tax increases to 1982 levels. However, states with agriculture-based or mineral/energy-based industries are either budgeting for smaller than average fiscal 1986 spending increases or are raising minor taxes. During the 1985

legislative session, twenty-four states adjusted taxes upward and fifteen states lowered taxes.

There is no one indicator that accurately tells the story of whether a state is fiscally healthy. Several indicators must be taken into account before determining the fiscal picture of a state. These indicators are:

1. Expenditure trends, including:
   - o annual general fund expenditure growth rates;
   - o enactment of budget cutbacks and/or postponements of expenditures; and
   - o policies affecting state employees.

2. Revenue trends, including:
   - o annual revenue growth rates;
   - o tax changes; and
   - o short-term borrowing needs.

3. Size of year-end general fund balance, and
   - o budget stabilization funds.

This report will use each of these fiscal indicators to determine the fiscal condition of the states. In addition, there is a discussion on regional differences in fiscal outlook and contingency measures that states enacted this year to help buttress the effects of proposed federal budget and tax changes.

I. Expenditure Trends

A. Annual Expenditure Growth

State fiscal 1986 general fund aggregate spending is projected to increase only 6.7 percent from the previous

year, resulting in a real spending increase of 1.5 percent after adjustments for inflation. This represents a sharp decline from the previous year's increase of 11.4 percent. Real spending in fiscal 1985 grew 5.7 percent.

For the first time, the National Association of State Budget Officers collected general fund data for the second year of the biennium from seventeen states that prepare biennial budgets in odd-numbered years.[1] These figures show that projected fiscal 1987 expenditures for seventeen states will increase only 6.9 percent. Although only about one-third of the states are represented, it provides a good cross-section of states based on both geographic location and size. (See Appendix Table 4 for a listing of these states.) Most of these states can enact budget modifications during next year's session, but this figure provides the best measure for projecting future budget growth.

Table 1 illustrates the shift in budget growth trends. In fiscal 1985, twenty-three states had expenditure growth of 10 percent or less, while in fiscal 1986, forty-one states were under 10 percent.[2] In fiscal 1987, only two out of seventeen states are budgeting for more than a 10 percent increase.

The real rate of expenditure growth for fiscal 1986 is at its lowest point since the recession. As shown in Table 2, it is the lowest growth rate since 1980 if recession years are excluded. This indicates that states are exercising tight fiscal restraint, despite better economic conditions. Although the previous year reflected a sizable budget increase, it is important to note that during fiscal 1983, thirty-nine states cut budgets as a result of the recession and used the fiscal 1985 5.7 percent real increase to restore some of the previous program cuts. In addition, last year numerous states adopted education reforms for elementary and secondary school systems which account

Table 1
Annual General Fund Expenditure Increases

Budget Growth Rate	Fiscal 1985	Fiscal 1986	Fiscal 1987
5% and under	8	22	5
5-10%	15	19	10
Over 10%	27	9	2
Total States	50	50	17*

*Note: Fiscal 1987 data is available only for seventeen biennial states.

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for part of the budget increases. Alaska, Montana, Nebraska, Nevada, Oregon, Texas, and West Virginia have passed fiscal 1986 budgets that are smaller than the previous year. Sixteen other states have decreased spending by not fully accounting for inflation.

Over the past eight fiscal years, the average real state growth in spending was only 1.2 percent, with three of the years registering actual spending declines. The real average growth rate for the federal government over this same time period was 3.1 percent.

B. Budget Cuts and/or Postponements of Expenditures

Few states were forced to cut back on fiscal 1985 budgets after the fiscal year began--in sharp contrast to the recession years when approximately one-half of the states cut budgets in fiscal 1982 and almost four-fifths in fiscal 1983.

In fiscal 1985, three states cut expenditures: Hawaii made $23 million in selective cuts; Louisiana had a 2.5

Table 2
Comparison of State and Federal Nominal and Real Annual Budget Increases
Fiscal Years 1979-1986

Fiscal Year	State		Federal	
	Nominal Increase	Real Increase	Nominal Increase	Real Increase
FY87	6.9% pre.	1.5%	N/A	N/A
FY86	6.7 pre.	1.5	2.6% pre.	-2.9%
FY85	11.4 pre.	5.7	12.5 pre.	8.0
FY84	7.9	1.4	5.8	3.5
FY83	-0.1	-6.5	9.3	4.3
FY82	6.4	-0.7	10.8	4.1
FY81	16.3	7.1	13.9	1.3
FY80	10.0	-0.2	17.5	4.7
FY79	10.1	1.2	9.6	1.7
79-86 ave.	8.6%	1.2%	10.3%	3.1%

Note: The state government price deflator used was the state and local government GNP deflator based on calendar years. The federal government price deflator used is the deflator specially designed for that level of government, also based on calendar years. Real increase figures do not take into account population growth.

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percent across-the-board cut, plus selective cuts totaling $51 million; and Washington imposed a 5 percent across-the-board cut for the last quarter of the fiscal 1984-1985 biennium.

Two other states imposed fiscal restrictions: Idaho made selective cuts of $14 million early in the fiscal year, but restored them in January after it appeared that

sufficient revenues would be available; and Iowa placed constraints on agency purchases, travel, and employee hirings in the fourth quarter.

Due to poor budget conditions, Iowa also postponed $5.3 million of capital expenditures from fiscal 1985 to fiscal 1986, while Texas delayed certain expenditures indefinitely. Wyoming postponed enactment of the Homeowners Tax Credit program. This compares to delayed expenditures occurring in thirteen states during fiscal 1982 and fifteen states during fiscal 1983.

C. State Employees

Size of Work Force. The size of the work force in fiscal 1985 appears to be slightly larger compared to the previous year. Forty-eight states reported 1,865,323 state employees as of June 30, 1984, and it is estimated that these states will have 1,898,302 employees by June 30, 1985, representing a 1.8 percent increase. These numbers include full-time equivalent employees, excluding elementary, secondary, and higher education employees. The Census Bureau estimates annual population growth at .9 percent which means that aggregate state work forces are slightly ahead of population.

However, growth in state work forces varies between states. Nine states are registering actual declines, while seventeen states have growth rates below or matching population growth rates.

Only two states reported that they had furloughed employees during fiscal 1985. New Mexico reported layoffs in health and environment agencies, and Louisiana selectively furloughed all probational employees with seniority of six months or less.

Compensation Packages. One indicator of the fiscal condition of a state is the size of its employee compensation packages. Many states, as well as the federal government, cut back on cost-of-living adjustments and merit raises in order to control expenditures. By limiting the amount of the annual payroll increase, large savings are realized.

Although states were experiencing difficult economic times, in fiscal 1983 only seven states did not provide for any general salary increase. However, Oregon employees received a 2 percent pay cut and Idaho employees were asked to work four-day weeks and take a corresponding 20 percent pay cut for the last six weeks of the fiscal year to help keep the budget balanced. Nevertheless, twenty-eight states granted increases of over 5 percent reflecting the composition of packages negotiated in the prior fiscal year. These figures do not include step or anniversary increases and apply only to classified state employers, excluding elementary, secondary, and higher education employees.

In fiscal 1984, the recession and lower inflation rates were incorporated in the new compensation packages. Nine states granted no increases, twenty-nine states had increases ranging from 1 percent to 5 percent, and only twelve states had increases over 5 percent. By fiscal 1986, the compensation packages generally reflected the low inflation rate. See Table 3 for more information.3/

Hiring and Travel Freezes. Most hiring and travel restrictions enacted during the recession have been eliminated, although some states have not lifted this provision. States with hiring freezes in effect for the past several years include Pennsylvania, Illinois, Iowa, and Arkansas.

New hiring restrictions were established this year in Rhode Island and an informal freeze was placed on hiring in

Table 3
General Salary Increases Contained in Employee Compensation Packages, Fiscal 1983-1986

Incremental Size of Increase	Fiscal Years			
	1983	1984	1985	1986*
0%	7	9	5	4
1-5%	14	29	21	25
Over 5%	28	12	25	20
*Total States	49	50	51	49

*Some packages were still pending at the time of publication.
Note: Calculations include the District of Columbia.

Texas until the fiscal 1986-1987 biennial budget is passed. In North Dakota, all staff vacancies and replacements must be cleared with the Office of Management and Budget, and in Iowa the hiring limitations were tightened. Wyoming passed legislation this year that restricted filling new general fund positions between July 1985 and July 1988, although vacancies may be filled.

Only Iowa has a travel freeze for state employees in effect for the first part of 1985.

II. Revenue Trends

A. Revenue Growth

The estimated revenue growth in fiscal 1985 is 8.8 percent, but drops down to 5.7 percent in fiscal 1986. This

means that revenue is increasing slightly less than expenditures, whereas in fiscal 1984 the opposite was true. There are times when expenditures can slightly outpace revenues without states running a deficit because states can spend-down their ending balances.

The fiscal 1986 revenue growth figure of 5.7 percent is lower than normal for a variety of reasons. First, the last of the temporary taxes enacted during the recession are scheduled to expire this year. Second, several states have passed or are planning to pass tax decrease measures in an effort to bring the tax burden closer to pre-recession levels. Third, state policy makers and budget staffs are projecting slower economic performance.

B. Tax Changes

Although legislation is pending in several states, twenty-three have or are expected to increase taxes for fiscal 1986. Only fifteen states will decrease taxes. Most of these tax changes are minor, and raise or lower taxes by less than $100 million in states where changes are adopted.

Tax decrease measures are being enacted in the Great Lakes and Mid-Atlantic states. These states were forced to raise taxes and cut budgets more than other states during the recession, except perhaps for the states in the Northwest. States that have passed or are currently considering significant personal income tax reductions over $100 million include New York, Pennsylvania, Michigan, Ohio, Wisconsin, and Minnesota. (Several of these packages are multiyear.) Connecticut reduced its sales tax base. Few states are considering increases in their income or sales tax, however many states have passed changes in excise taxes. Significant tax increases occurred in North Dakota, which will maintain higher personal income tax rates rather than allow a scheduled decrease to take place.

Lawmakers there also adopted a contingency 1 percent sales tax increase if revenues fall below a selected mid-year revenue target. Colorado passed several changes in the tax base for the personal and corporate income tax. Oklahoma passed a measure to keep its 3 percent sales tax rate rather than allow it to expire at the end of the year, and then added another quarter cent for a total tax rate of 3.25 percent. Tennessee passed a similar measure which maintains the 5.5 percent sales tax rate. Iowa and Mississippi broadened the sales tax base.

Most 1985 tax activity occurred by raising excise taxes. As of publication date, seven states increased alcohol beverage taxes, and twelve states raised motor fuel taxes.[4] Cigarette taxes were popular this year because the federal government's cigarette excise tax is scheduled to decrease 8 cents in October 1985, and many states passed contingency legislation to capture the 8 cents if it is allowed to expire. Fourteen states passed contingency cigarette tax measures, taxes, and eleven states simply raised the rate regardless of any federal action.[5]

Although a few states are cutting taxes in large amounts, most changes are relatively small, especially when considered in aggregate terms: decreases among the fifty states are expected to be about $2.3 billion. Tax increases will total about $1.6 billion. If all the proposals are approved aggregate state taxes would decrease by only $0.7 billion in fiscal 1986. This decrease represents less than one-half of 1 percent of total fiscal 1986 state tax revenues.

It appears that 1985 tax changes affecting fiscal 1986 will be modest. In comparison, 1984 changes lowered taxes by almost $1 billion and 1983 aggregate taxes were raised by over $10 billion.[6]

Tax reform was on the legislative agenda of several states. Minnesota, New York, Wisconsin, and South Carolina all revised their personal income tax by adjusting tax brackets, exemptions, and deductions. West Virginia conducted a major overhaul of all its business taxes. Oregon proposed a constitutional amendment to adopt a sales tax and reduce property and income taxes, which will be decided by voters this September.

C. Trends in Short-Term Borrowing

Short-term borrowing from credit markets for operating expenses was an unusual occurrence for states before the 1982-83 recession. Several states, such as Minnesota and Washington, went to the credit markets for the first time during this period. Generally such borrowing is discouraged. As shown in Table 4, short-term borrowing reached $8.7 billion in fiscal 1984 and is projected to decrease to $7.9 billion in fiscal 1986.

Most borrowing is done to meet cash flow needs which fluctuate throughout the year. States often make large payments to local government and school districts on a quarterly basis, but their revenue flow is generally uneven. Some states will borrow from internal trust funds to meet cash flow demands, and a few states have established special cash flow accounts to meet these needs.

III. Year-End General Fund Balances

Many Wall Street bond analysts counsel states to keep a 5 percent ending reserve each year to guard against unanticipated revenue and expenditure fluctuations. Few states are able to achieve this objective in fiscal 1986. As Table 5 shows, twelve states reported year-end general fund balances of 1 percent of less in fiscal 1984, while that

Table 4
Levels of Short-Term Borrowing
Fiscal 1983-1986

	Fiscal Years			
	1983	1984	1985	1986*
	(in millions)			
California	$1050	$1200	$1400	$1300
Colorado	-	-	460	350
Connecticut	315	375	-	-
Wash., DC	150	150	150	150
Idaho	106	110	-	-
Illinois	150	50	-	-
Iowa			Maybe in 1986	
Maine	17	7	15	13
Massachusetts	150	150	200	200
Michigan	500	500	450	350
Minnesota	850	500	100	-
Mississippi	78	62	-	-
Montana	47	-	38	50
New Hampshire	253	145	-	-
New York	4000	3900	4300	4300
Pennsylvania	950	970	700	700
Rhode Island	85	85	70	70
Vermont	40	50	55	65
Washington	-	200	-	-
Wisconsin	-	700	350	400
	$8741	$9154	$8288	$7948

*estimated

number jumps to twenty-three in fiscal 1985 and twenty-eight in fiscal 1986. Part of this change in budgeting practices can be explained by the recent emergence of

Table 5
Year-End Balances As Percentage of Expenditures

	1984	1985	1986	1987
1% or less	12	23	28	7
1% - 3%	15	6	7	2
3% - 5%	3	6	4	2
Over 5%	20	15	11	6
Total States	50	50	50	17

budget stabilization funds (which is discussed later in this section), frugal budgeting of public dollars, and cautious revenue estimating practices.

The total aggregate general fund ending balance in fiscal 1985 and fiscal 1986 is low compared to previous years--$5.4 billion and $4.2 billion respectively. This balance represents only 2.9 percent of total expenditures in fiscal 1985 and 2.1 percent in fiscal 1986. In percentage terms these figures are some of the lowest on record since the National Association of State Budget Officers began collecting state general fund data in 1977. The high point for state ending balances in recent years occurred in fiscal 1980 when aggregate ending balances totaled $11.8 billion or 9.0 percent of expenditures. (See Table 6.)

Three states are posting deficits in fiscal 1985--Alaska, Nebraska, and Vermont--but these deficits will be eliminated in the next fiscal year. Deficits in Alaska and Nebraska are covered by state budget stabilization funds. Vermont is the only state that has no balanced budget provision, although in 1984 they passed a special deficit tax

Table 6
Size of State Year-End Balances
Fiscal 1978-1986

Fiscal Year	Year-End Balance in Billions	Balance as a Percent of Expenditures
1987 pre.*	N/A	2.7%
1986 pre.	$ 4.2	2.1
1985 pre.	5.4	2.9
1984	5.6	3.3
1983	2.0	1.3
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.0
1979	11.2	8.7
1978	8.9	8.6

*Represents figures for seventeen biennial states only.

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reduction package. Idaho is the only state projecting a deficit in fiscal 1986, but the state passed the budget with the hope that the economy will improve during the fiscal year. If it fails to do so, action will be taken to correct the deficit since the state is not permitted to run a deficit.

It is also important to note that about one-half of the aggregate ending balances for both fiscal 1985 and fiscal 1986 are held by only four states.[7] Early indications from the seventeen states that have fiscal 1987 budgets in place, show that the ending balance as a percent of expenditures still remains low at 2.7 percent.

Budget Stabilization Funds

A factor contributing to unusually low ending balances is the recent adoption by twenty-seven states of budget stabilization or "rainy day" funds. These funds are designed as economic countercyclical mechanisms which allow states to save tax dollars in good economic times so they can be spent during poor economic times. These funds are an attempt by states to help smooth out the rough edges of the business cycle and help to avert emergency budget-balancing action, such as cutting the budget in the last few months of a fiscal year or implementing temporary tax increases when an economic downturn occurs.

Only two states--Florida and Michigan--have used these funds for a significant time period; most states adopted these mechanisms during or immediately after the last recession. Currently, two other states are considering legislation that would provide for budget stabilization funds.[8]

In fiscal 1984, state budget stabilization funds totaled $0.8 billion, representing 0.5 percent of total state expenditures. If this amount is compared to only those states that operate budget stabilization funds, the amount represents 1.7 percent of their expenditures. Budget stabilization funds doubled to $1.9 billion in fiscal 1985, which is 1.0 percent of total state expenditures, and leveled off in fiscal 1986 to $2.1 billion or 1.1 percent. These funds comprise 2.8 percent of state expenditures in fiscal 1985 for states that adopted this budgeting tool and 2.7 percnet for fiscal 1986. Some states designate a portion of their ending balance as a reserve fund and this is not included in budget stabilization fund calculations.

Budget stabilization funds should not be combined with general fund ending balances because these funds

serve two distinct purposes and they generally are not interchangeable. Ending balances function as a hedge against normal revenue and expenditure forecasting errors. Stabilization funds are designed to alleviate revenue shortfalls caused by economic downturns or other fiscal emergencies, and usually must be appropriated by the legislature. Nevertheless, both serve a similar purpose and should be reported as resources available to a state.

IV. Regional Differences in Fiscal Outlook

The New England, Mideastern, and Great Lakes states are in better fiscal shape than most other regions of the country. Many of these states were hard hit by the recession and the current recovery has boosted tax revenues because of improved employment figures and because these states significantly raised taxes during the lean years. Many of these states now have the opportunity to lower tax rates to earlier levels.

The Plains states are hard hit this year due to continuing problems in the farm economy. Both Iowa and Nebraska have kept fiscal 1986 spending low, raised taxes, and offered employees a small compensation plan. Minnesota is faring well and is offering both a tax reduction and tax reform plan this year.

In the Southeast, Arkansas, Kentucky, and Louisiana are experiencing fiscal stress, and many of the other states in this region have extremely tight budgets. Louisiana has problems that are more closely associated with Alaska and the Southwest and Rocky Mountain regions, because their economies are based on mineral and energy industries. The oil industry is particularly hard hit due to the current worldwide oil glut, which in turn depresses oil severance tax revenue in these states. For example, Texas ended

fiscal 1983 with an ending balance of more than $1 billion, but by fiscal 1986 that balance will drop dramatically to $40 million, largely due to a decline in severance tax revenues. Many states in these regions raised minor taxes this year to provide marginal revenue to help guarantee a balanced budget. The coal industry has not yet rebounded, which has contributed to low revenues in Montana.

California's economy is healthy, but the Northwestern states, including Idaho, are still recuperating from poor economic performance in the timber products industry.

In summary, the overall economy of the states has improved since 1983, but the economic benefits of the recovery are not evenly spread across the country. Some states are flourishing; some states are coping with serious fiscal stress.

V. Contingency Actions to Guard Against Federal Budget Cuts

As states were working on their fiscal 1986 budgets, budget discussions at the federal level indicated that state and local governments would likely receive substantial cuts in federal aid for the coming fiscal year. Several states took precautionary measures to try to soften the impact of federal reductions by either appropriating budget adjustments for certain programs, or by setting up a special contingency fund to draw upon.

For both Alabama and the District of Columbia, the proposed fiscal 1986 budgets provided additional funding for specific programs. Virginia passed a statute this year allowing the governor to transfer funds from the economic contingency and revenue reserve account (i.e., budget

stabilization fund) to offset federal budget cuts, while Washington is maintaining a funding reserve until the extent of the federal cuts is known. Three states--Delaware, Massachusetts, and Rhode Island--are proposing or have already established special funds to ease the effect of reduced federal monies.

In Maine, the governor proposed in the fiscal 1986 budget a local aid stabilization fund in response to federal cuts. Delaware's governor proposed a first state improvement fund for capital and economic development projects through September 30, 1988, which may be appropriated from any portion of the balance in the fund for any purpose, including federal budget cuts. A three-fifths vote is required. Fiscal 1986 funding is $40 million. Finally, Rhode Island established a federal reduction fund of $7 million.

VI. Background and Methodology

The Fiscal Survey of the States series is published by the National Association of State Budget Officers (NASBO) and the National Governors' Association (NGA). The series was started in 1977 and surveys are now conducted and published semiannually. The Survey presents aggregate and individual data on state general fund receipts and individual data on the states general fund receipts, expenditure, and balances. While not the totality of state spending, these funds are used to finance most broad-based state services, and are the most important element in determining the fiscal health of the states.

The field survey on which this report was based was taken by the National Association of State Budget Officers from April to June 1985. The questionnaires were completed by state budget officers.

Fiscal 1985 closed for forty-six states on June 30, 1985. New York's fiscal year ended on March 31, 1985; Texas' fiscal year will close August 31, 1985; Michigan's and Alabama's on September 30, 1985. Thus, fiscal 1984 numbers are actuals, but with adjustments possible as a result of audits. Fiscal 1985 was almost complete when the survey was taken, so that data represents projections for the entire year. Most fiscal 1986 and fiscal 1987 budget data reflect the budgets that were recently adopted by the legislature, although in a few states the budgets had not yet been approved and the governor's proposed budget or likely figures were substituted.

The structure of the survey presumes budgeting identities as follows:

1. Beginning Balance + Revenue + Adjustments = Resources

2. Resources - Expenditures - Transfers = Ending Balance

3. Ending Balance, Year 1 = Beginning Balance, Year 2

Adjustments to revenues may be such things as reversions, tax refunds, settlements from court cases, sale of surplus property, change in tax collections, and change in fund dedication. Transfers may be positive or negative depending on whether monies are flowing in or out of the general fund.

Exceptions to this identity result from rounding and from the practice in a few states of making adjustments between the ending balance in one year and the beginning balance in the next. These exceptions have only a minor impact on the overall results of the survey.

Reporting concepts within this structure vary from state to state, as do definitions of what activities are included in the general fund, although usually all federal funds and trust funds are excluded. Thus, the results of the fiscal survey are not strictly appropriate for comparisons among states. They are more appropriate for comparisons over time in the same state.

Notes

1/ Twenty-one states have biennial budgets; only three states prepared the two-year budget in even-numbered years. In 1979, Vermont passed language in the appropriation bill allowing preparation of either an annual or biennial budget, depending on the discretion of the governor. Governor Kunin chose to present an annual budget this year.

2/ A few states that have biennial budgets, such as Minnesota and Virginia, place monies for capital construction in one year of their two-year budget, thereby showing an exaggerated increase from one year to the next.

3/ The issue of equal pay for different jobs with equal responsibilty is an issue receiving substantial attention at the state level. According to the National Governors' Association, a study issued in March 1985, shows that five states are implementing comparable worth policies, five states completed studies on the issue, and twenty-four states have studies underway. Action in 1985 includes several states that have appropriated monies to correct job inequities, including Iowa, Minnesota, Washington, Connecticut, and Massachusetts. New York has reached a tentative 1985-88 agreement which would include an equity payment equal to 1 percent of base payroll in fiscal 1987 and fiscal 1988. Oregon's proposed budget includes $25 million for comparable worth and Wisconsin's proposed budget set aside $17 million for the 1985-87 biennium.

4/ States that raised alcohol beverage taxes as of June 30, 1985, are Mississippi, Oklahoma, Arkansas, Iowa, and Nebraska. New York and Nevada retained a higher rate rather than allow it to expire. States that raised

motor fuel taxes as of June 30, 1985, are: Wyoming, Arkansas, Indiana, Oregon, Arizona, Nebraska, Iowa, Hawaii, Nevada, Florida, and Oklahoma.

5/ States that raised the cigarette tax contingent on the federal cigarette tax expiring are: Utah, New Mexico, Mississippi, Maryland, Arizona, Montana, Minnesota, Wisconsin, Connecticut, Nebraska, Nevada, Missouri, Florida, and Oklahoma. States that increased cigarette taxes not contingent on federal action are: South Dakota, Mississippi, Oregon, Alaska, Minnesota and Iowa. Colorado, New York, Nevada, and Oregon retained a higher rate rather than allow it to expire. Vermont repealed the sales tax exemption for cigarettes.

6/ This figure includes temporary taxes that were extended by the state legislatures rather than allowing the tax to expire as scheduled. If this factor is left out, taxes increased by $7.4 billion.

7/ These states are: fiscal 1985--California, New Jersey, Minnesota, and Wisconsin. For fiscal 1986--California, Minnesota, Illinois, and Wisconsin.

8/ These two states are Massachusetts and Pennsylvania. Missouri passed a budget stabilization fund this session.

APPENDIX TABLES

Table A-1

FY 1984 STATE GENERAL FUNDS
($ in millions)
ACTUAL

State	Beginning Balance	Revenue	Adjustments	Resources	Expenditures	Transfers	Ending Balance	Budget Stabilization Fund
Alabama	11	2,233	(6)	2,237	1,964		274	
Alaska	86	3,390	(27)	3,450	2,926	(300)	224	282
Arizona	0	1,809	49	1,858	1,846		12	
Arkansas	0	1,262		1,262	1,262		0	
California	(450)	23,335		22,885	22,869	475	491	**
Colorado	0	1,726	13	1,738	1,707		31	**
Connecticut	(48)	3,840		3,792	3,627	(165)	0	165
Delaware	11	769		780	721	(1)	58	39
Florida	110	5,734		5,845	5,749		96	25
Georgia	9	4,010	(31)	3,988	3,926		62	38
Hawaii	130	1,354	10	1,494	1,389		105	
Idaho	0	500	(3)	497	483	(5)	9	6
Illinois	110	9,197		9,307	8,878	(212)	217	
Indiana	60	2,992	43	3,095	2,711	(282)	102	0
Iowa	0	1,986		1,986	1,978	(8)	0	8
Kansas	44	1,547	8	1,600	1,517		83	
Kentucky	34	2,365	69	2,468	2,427		41	
Louisiana	344	3,600	25	3,969	3,915		53	
Maine	2	775	12	789	756	(16)	17	
Maryland	33	3,418		3,451	3,433		18	
Massachusetts	61	4,928	31	5,020	4,900	(101)	19	0
Michigan	20	5,611		5,631	5,337	(10)	284	4
Minnesota	72	5,049	16	5,137	4,560	(203)	374	**
Mississippi	15	1,333		1,348	1,337		11	0
Missouri	54	2,494	8	2,556	2,357		199	
Montana	53	330	3	396	353		35	
Nebraska	15	782		797	752		45	36
Nevada	49	426	12	486	404		82	
New Hampshire	(40)	402	7	369	368		1	
New Jersey	96	7,086	(7)	7,175	6,597		578	

New Mexico	166	1,259		1,426	1,272		154	**
New York	0	19,322	(500)	18,822	17,620	(1,151)	51	**
North Carolina	73	3,957		4,030	3,776		255	
North Dakota	43	532		575	478	(13)	110	
Ohio	44	8,134	(96)	8,082	7,776	(211)	95	0
Oklahoma	17	1,558	25	1,601	1,556	(39)	6	
Oregon*	24	1,539		1,563	1,519		44	
Pennsylvania	(235)	8,257	45	8,067	7,991		76	
Rhode Island	4	935		939	902	(5)	32	
South Carolina	18	2,228		2,246	2,111	(80)	55	98
South Dakota	19	308		326	287	(34)	5	34
Tennessee	14	2,070		2,084	1,911	(26)	147	50
Texas	344	8,974		9,318	4,994	(4,245)	79	
Utah	12	1,062	80	1,154	1,073		81	
Vermont	(31)	333	1	303	339		(36)	
Virginia	102	3,436		3,538	2,846	(610)	81	0
Washington	0	4,060		4,060	3,927		134	
West Virginia	62	1,436		1,498	1,356		142	
Wisconsin	(182)	4,529	47	4,394	4,011	(24)	360	
Wyoming	179	363	(1)	542	355		187	42
Total	1,564	178,575	(167)	179,974	167,149	(7,266)	5,579	827
Dist. of Col.*	(279)	1,933		1,933	1,818	(97)	(270)	

* Notes

DC: Cumulative balances include pre-home rule deficits. Other figures are strictly annual. FY84 ending balance is $18 million. General Fund deficit was restated at FY84 year-end to reflect merger of Internal Services Fund and General Fund. (The former was in deficit and increased the General Fund cumulative figure.)

For explanations of adjustments and transfers, refer to Tables A-15 and A-16.

** Budget Stabilization Fund is included in ending balance.

OR: Expenditures for the biennum were split arbitrarily: FY1983-85--49%/51%; FY1985-87--48%/52%.

Table A-2

FY 1985 STATE GENERAL FUNDS
($ in millions)
ESTIMATES

State	Beginning Balance	Revenue	Adjustments	Resources	Expenditures	Transfers	Ending Balance	Budget Stabilization Fund
Alabama	274	2,423	(6)	2,691	2,399		292	
Alaska	224	3,318	67	3,605	3,585	(300)	(280)	298
Arizona	12	2,106	40	2,158	2,154	(3)	1	
Arkansas	0	1,573		1,573	1,573		0	
California	491	26,589		27,080	25,837	23	1,265	**
Colorado	31	1,860	1	1,892	1,784	(59)	49	**
Connecticut	0	3,858	(26)	3,832	3,658	(174)	0	200
Delaware	58	878		936	797	(5)	134	44
Florida	96	6,184		6,279	6,271		8	117
Georgia	62	4,302		4,364	4,364		0	38*
Hawaii	105	1,466	37	1,608	1,499		109	
Idaho	9	550	2	561	559	(2)	0	8
Illinois	217	9,140	313	9,670	9,336	(60)	274	
Indiana	102	3,284	80	3,466	3,107	(340)	19	146
Iowa	0	2,084	8	2,092	2,092		0	0
Kansas	83	1,657	37	1,777	1,639	(1)	137	
Kentucky	41	2,494	10	2,546	2,493	(53)	0	53
Louisiana	53	4,157		4,210	4,209		1	0
Maine	17	843	10	870	862	(2)	6	
Maryland	18	3,783		3,801	3,790		11	
Massachusetts	19	5,453	30	5,502	5,236	(164)	102	56*
Michigan	284	5,570		5,854	5,464	(349)	41	370
Minnesota	374	5,303	10	5,687	4,865	(239)	583	**
Mississippi	11	1,425		1,436	1,400		36	31
Missouri	199	2,713		2,912	2,575	(178)	159	
Montana	35	365		400	378		22	
Nebraska	45	782		827	851		(24)	36
Nevada	82	462	19	562	515		48	
New Hampshire	1	429		431	385	(26)	19	
New Jersey	578	7,751	57	8,385	7,784		602	

New Mexico	154	1,325		1,479	1,369		110	**
New York	51	21,086		21,137	19,535	(1,500)	102	**
North Carolina	255	4,277		4,531	4,517		15	
North Dakota	110	573		683	543		140	
Ohio	95	9,067	125	9,287	8,661	(328)	298	125
Oklahoma	6	1,823		1,829	1,676	(65)	88	
Oregon*	44	1,680		1,724	1,581		143	
Pennsylvania	76	8,748	40	8,864	8,559		305	
Rhode Island	32	972	18	1,022	993		29	17
South Carolina	55	2,394	9	2,458	2,458		0	89
South Dakota	5	314	9	329	324		5	25
Tennessee	147	2,510		2,657	2,459	(101)	97	30
Texas	79	10,839		10,918	5,877	(5,026)	15	
Utah	81	1,208		1,289	1,289		0	
Vermont	(36)	377	1	342	361		(19)	
Virginia	81	3,839	6	3,926	3,926		0	55*
Washington	134	4,042		4,176	4,175	(1)	0	1
West Virginia	142	1,477	14	1,633	1,575		58	
Wisconsin	360	4,506	60	4,927	4,584		342	
Wyoming	187	370	(44)	513	346	(68)	99	110
Total	5,579	194,229	927	200,731	186,269	(9,021)	5,441	1,869
Dist. of Col.*	(270)	2,118		2,120	2,014	(86)	(250)*	

* Notes

DC: Cumulative balances include pre-home rule deficits. Other figures are strictly annual. FY85 ending balance is $20 million.

GA: The FY85 addition to the Revenue Shortfall Reserve will not be computed until the end of the 1985 fiscal year.

MA: Budget Stabilization Fund legislation is still pending.

For explanations of adjustments and transfers, refer to Tables A-15 and A-16.

** Budget Stabilization Fund is included in ending balance.

OR: Expenditures for the biennum were split arbitrarily: FY1983-85--49%/51%; FY1985-87--48%/52%.

VA: This amount represents the revenue reserve portion of the Economic Contingency and Revenue Reserve Account. It is a biennial figure included in appropriated expenditures for FY85 and subject to carry forward into FY86.

Table A-3

FY 1986 STATE GENERAL FUNDS
($ in millions)
PROPOSED/PROJECTED

State	Beginning Balance	Revenue	Adjustments	Resources	Expenditures	Transfers	Ending Balance	Budget Stabilization Fund
Alabama	292	2,446	(6)	2,732	2,727		5	
Alaska	(280)	3,312	62	3,094	3,094		0	284
Arizona	1	2,333	32	2,366	2,343	(4)	19	
Arkansas	0	1,672		1,672	1,672		0	
California	1,265	28,203		29,468	28,363	(51)	1,054	**
Colorado	49	1,952		2,001	1,904		98	**
Connecticut	0	4,081	(70)	4,011	4,011		0	200
Delaware	134	855		989	944	(3)	42	47
Florida	8	6,755		6,763	6,758		4	126
Georgia	0	4,838		4,838	4,838		0	38*
Hawaii	109	1,586	10	1,705	1,568		136	
Idaho	0	578	8	586	588	0	(2)	0
Illinois	274	9,827		10,101	9,795	(32)	274	
Indiana	19	3,401	20	3,440	3,155	(238)	47	170
Iowa	0	2,197		2,197	2,196	(1)	0	1
Kansas	137	1,722	4	1,863	1,738		125	
Kentucky	0	2,656	7	2,663	2,650		13	53
Louisiana	1	4,270		4,271	4,276	5	0	0
Maine	6	924	2	932	927	(2)	3	
Maryland	11	4,091		4,101	4,087		14	
Massachusetts	102	5,765		5,867	5,626	(202)	39	69*
Michigan	41	5,896	(63)	5,871	5,692	(176)	3	600
Minnesota	583	4,953	12	5,548	4,903	(219)	426	**
Mississippi	36	1,558		1,594	1,583	(10)	1	41
Missouri	139	2,901		3,060	2,994		66	0*
Montana	22	377		399	360		39	
Nebraska	(24)	864	4	844	828		16	36
Nevada	48	473	4	525	475		50	
New Hampshire	19	403		423	422		1	
New Jersey	602	8,185		8,787	8,597		190	

New Mexico	110	1,392		1,502	1,392		109	**
New York	102	22,732		22,834	21,448	(1,233)	153	**
North Carolina	333	4,709		5,042	4,830		212	
North Dakota	140	499		639	545		94	
Ohio	298	9,600		9,898	9,544	(9)	345	125
Oklahoma	88	1,934		2,022	2,022		0	
Oregon*	143	1,518		1,661	1,563		98	
Pennsylvania	305	9,089	(278)	9,116	9,107		9	35*
Rhode Island	12	1,022		1,034	1,028		6	5
South Carolina	0	2,581		2,581	2,553	(26)	2	89
South Dakota	5	325	21	351	346		5	4
Tennessee	97	2,616		2,713	2,577	(83)	53	50
Texas	15	10,952		10,967	5,478	(5,448)	40	
Utah	0	1,298		1,298	1,298		0	
Vermont	(19)	408		389	386		3	
Virginia	0	4,116	4	4,120	4,118		2	55*
Washington	0	4,643		4,643	4,639		4	
West Virginia	58	1,514		1,572	1,558		14	
Wisconsin	342	4,802	56	5,200	4,938		262	
Wyoming	99	383		482	358	32	156	79
Total	5,742	205,207	(173)	210,775	198,842	(7,700)	4,230	2,107
Dist. of Col.*	(250)	2,236		2,236	2,141	(90)	(242)	

* Notes

DC: Cumulative balances include pre-home rule deficits. Other figures are annual. FY86 ending balance is $5 million.

GA: The FY86 addition to the Revenue Shortfall Reserve will not be computed until the end of the 1986 fiscal year.

MO: Legislation passed to create a Rainy Day Fund, but no funds were appropriated.

For explanations of adjustments and transfers, refer to Tables A-15 and A-16.

** Budget Stabilization Fund is included in ending balance.

OR: Expenditures for the biennum were split arbitrarily: 1983-85--49%/51%; FY85-87--48%/52%.

PA: Legislation to create a Tax Stabilization Reserve Fund is still pending.

VA: This amount represents the revenue reserve portion of the Economic Contingency and Revenue Reserve Account. It is a biennial figure included in appropriated expenditures for FY85 and subject to carry forward into FY86.

Table A-4

FY 1987 STATE GENERAL FUNDS
($ in millions)
PROPOSED/PROJECTED

State	Beginning Balance	Revenue	Adjustments	Resources	Expenditures	Transfers	Ending Balance	Budget Stabilization Fund
Alabama								
Alaska								
Arizona								
Arkansas	0	1,798		1,798	1,798		0	
California								
Colorado								
Connecticut								
Delaware								
Florida	4	7,378		7,383	7,380		2	135
Georgia								
Hawaii	136	1,690	10	1,836	1,600		237	
Idaho								
Illinois								
Indiana	47	3,580	30	3,658	3,354	(251)	53	0
Iowa	1	2,303		2,303	2,300		3	0
Kansas								
Kentucky								
Louisiana								
Maine	3	996	2	1,001	996	(2)	3	
Maryland								
Massachusetts								
Michigan								
Minnesota	426	5,386	10	5,822	5,148	(224)	450	**
Mississippi								
Missouri								

Montana	39	397		436	406		30	
Nebraska								
Nevada	50	502	2	553	507		46	
New Hampshire	1	431		432	430		2	
New Jersey								
New Mexico								
New York								
North Carolina	212	4,963		5,175	5,139	(50)	36	
North Dakota	94	526		620	588		32	
Ohio	345	10,200		10,545	10,422	(5)	118	125
Oklahoma								
Oregon*	98	1,748		1,846	1,693		153	
Pennsylvania								
Rhode Island								
South Carolina								
South Dakota								
Tennessee								
Texas	40	11,616		11,656	6,072	(5,544)	40	
Utah								
Vermont								
Virginia								
Washington	4	4,850		4,854	4,687		167	
West Virginia								
Wisconsin	262	5,157	55	5,474	5,278		196	
Wyoming								
Total	1,762	63,521	109	65,392	57,798	(6,076)	1,568	260
Dist. of Col.								

* Notes

OR: Expenditures for the biennum were split arbitrarily: 1983-85--49%/51%; FY85-87--48%/52%.

For explanations of adjustments and transfers, refer to Tables A-15 and A-16.

** Budget Stabilization Fund is included in ending balance.

Table A-5

YEAR-END BALANCES AS A PERCENT OF EXPENDITURES, FY84-FY87

State	General Fund Ending Balances				As A Percent Of Expenditures			
	1984 Bal	1985 Bal	1986 Bal	1987 Bal	1984 Bal	1985 Bal	1986 Bal	1987 Bal
Alabama	274	292	5		13.95	12.17	0.18	
Alaska	224	(280)	0		7.66	-7.81	0.00	
Arizona	12	1	19		0.65	0.05	0.81	
Arkansas	0	0	0	0	0.00	0.00	0.00	0.00
California	491	1,265	1,054		2.15	4.90	3.72	
Colorado	31	49	98		1.82	2.75	5.15	
Connecticut	0	0	0		0.00	0.00	0.00	
Delaware	58	134	42		8.04	16.81	4.45	
Florida	96	8	4	2	1.67	0.13	0.06	0.03
Georgia	62	0	0		1.58	0.00	0.00	
Hawaii	105	109	136	237	7.56	7.27	8.67	14.81
Idaho	9	0	(2)		1.86	0.00	-0.34	
Illinois	217	274	274		2.44	2.93	2.80	
Indiana	102	19	47	53	3.76	0.61	1.49	1.58
Iowa	0	0	0	3	0.00	0.00	0.00	0.13
Kansas	83	137	125		5.47	8.36	7.19	
Kentucky	41	0	13		1.69	0.00	0.49	
Louisiana	53	1	0		1.35	0.02	0.00	
Maine	17	6	3	3	2.25	0.70	0.32	0.30
Maryland	18	11	14		0.52	0.29	0.34	
Massachusetts	19	102	39		0.39	1.95	0.69	
Michigan	284	41	3		5.32	0.75	0.05	
Minnesota	374	583	426	450	8.20	11.98	8.69	8.74
Mississippi	11	36	1		0.82	2.57	0.06	
Missouri	199	159	66		8.44	6.17	2.20	

Montana	35	22	39	30	9.92	5.82	10.83	7.39
Nebraska	45	(24)	16		5.98	-2.82	1.93	
Nevada	82	48	50	46	20.30	9.32	10.53	9.07
New Hampshire	1	19	1	2	0.27	4.94	0.24	0.47
New Jersey	578	602	190		8.76	7.73	2.21	
New Mexico	154	110	109		12.11	8.04	7.83	
New York	51	102	153		0.27	0.48	0.67	
North Carolina	255	15	212	36	6.75	0.33	4.39	0.70
North Dakota	110	140	94	32	23.01	25.78	17.25	5.44
Ohio	95	298	345	118	1.22	3.44	3.61	1.13
Oklahoma	6	88	0		0.39	5.25	0.00	
Oregon	44	143	98	153	2.90	9.04	6.27	9.04
Pennsylvania	75	305	9		0.95	3.56	0.10	
Rhode Island	32	29	6		3.55	2.92	0.58	
South Carolina	55	0	2		2.61	0.00	0.08	
South Dakota	5	5	5		1.74	1.54	1.45	
Tennessee	147	97	53		7.69	3.94	2.06	
Texas	79	15	40	40	1.58	0.26	0.73	0.66
Utah	81	0	0		7.55	0.00	0.00	
Vermont	(36)	(19)	3		-10.62	-5.26	0.78	
Virginia	81	0	2		2.85	0.00	0.05	
Washington	134	0	4	167	3.41	0.00	0.09	3.36
West Virginia	142	58	14		10.47	3.68	0.90	
Wisconsin	360	342	262	196	8.98	7.46	5.31	3.71
Wyoming	187	99	136		52.68	28.61	43.58	
Total	5,579	5,441	4,230	1,568	3.31	2.90	2.11	2.71
Dist. of Col.	(270)	(250)	(242)		-14.85	-12.41	-11.30	

Table A-6

BUDGET STABILIZATION FUNDS, FY84-FY87

State	Budget Stabilization Funds				As A Percent Of Expenditures			
	1984	1985	1986	1987	1984	1985	1986	1987
Alabama					0.0	0.0	0.0	
Alaska	282	298	284		9.6	8.3	9.2	
Arizona					0.0	0.0	0.0	
Arkansas					0.0	0.0	0.0	0.0
California	428*	1,265*	1,051*		*	*	*	
Colorado	*	*	*					
Connecticut	165	200	200		4.5	5.5	5.0	
Delaware	39	44	47		5.4	5.5	5.0	
Florida	25	117	126	135	0.4	1.9	1.9	1.8
Georgia	38	38	38		1.0	0.9	0.8	
Hawaii					0.0	0.0	0.0	0.0
Idaho	6	8	0		1.2	1.4	0.0	
Illinois					0.0	0.0	0.0	
Indiana	0	146	170	0	0.0	4.7	5.4	0.0
Iowa	8	0	1	0	0.4	0.0	0.0	0.0
Kansas					0.0	0.0	0.0	
Kentucky		53	53		0.0	2.1	2.0	
Louisiana		0	0		0.0	0.0	0.0	
Maine					0.0	0.0	0.0	0.0
Maryland					0.0	0.0	0.0	
Massachusetts	0	56**	69**		0.0	1.1	1.2	
Michigan	4	370	600		0.1	6.8	10.5	
Minnesota	250*	375*	450*	450*	*	*	*	*
Mississippi	0	31	41		0.0	2.2	2.6	
Missouri			0		0.0	0.0	0.0	

Montana					0.0	0.0	0.0	0.0
Nebraska	36	36	36		4.8	4.2	4.3	
Nevada					0.0	0.0	0.0	0.0
New Hampshire					0.0	0.0	0.0	0.0
New Jersey					0.0	0.0	0.0	
New Mexico	97*	97*	97*		*	*	*	
New York	51*	102*	153*		*	0.5*	0.7*	
North Carolina					0.0	0.0	0.0	0.0
North Dakota					0.0	0.0	0.0	0.0
Ohio	0	125	125	125	0.0	1.4	1.3	1.2
Oklahoma					0.0	0.0	0.0	
Oregon					0.0	0.0	0.0	0.0
Pennsylvania			35**		0.0	0.0	0.4	
Rhode Island		17	5		0.0	1.7	0.5	
South Carolina	98	89	89		4.6	3.6	3.5	
South Dakota	34	25	4		11.8	7.7	1.2	
Tennessee	50	50	50		2.6	2.0	1.9	
Texas					0.0	0.0	0.0	0.0
Utah					0.0	0.0	0.0	
Vermont					0.0	0.0	0.0	
Virginia	0	55	55		0.0	1.4	1.3	
Washington					0.0	0.0	0.0	0.0
West Virginia					0.0	0.0	0.0	
Wisconsin					0.0	0.0	0.0	0.0
Wyoming	42	110	79		11.8	31.8	22.1	
Total	1,653	3,707	3,858	710	*	*	*	*
Less Funds Included In Ending Balance	827	1,869	2,107	260	0.5	1.0	1.1	0.4

* Budget Stabilization Fund is included in ending balance.

** Budget Stabilization Fund legislation pending.

Table A-7

NOMINAL AND REAL ANNUAL CHANGES IN EXPENDITURES, FY84-FY86

State	Nominal Percentage Change		Real Percentage Change	
	1984-1985	1985-1986	1984-1985	1985-1986
Alabama	22.1	13.7	16.0	8.1
Alaska	22.5	-14.3	16.3	-18.5
Arizona	16.7	8.8	10.8	3.4
Arkansas	24.6	6.3	18.3	1.1
California	13.0	9.8	7.3	4.4
Colorado	4.5	6.7	-0.8	1.5
Connecticut	0.9	9.7	-4.2	4.3
Delaware	10.5	18.4	5.0	12.6
Florida	9.1	7.8	3.6	2.5
Georgia	11.2	10.9	5.5	5.4
Hawaii	7.9	4.6	2.5	-0.5
Idaho	15.7	5.2	9.9	0.0
Illinois	5.2	4.9	-0.2	-0.2
Indiana	14.6	1.5	8.8	-3.4
Iowa	5.8	5.0	0.4	-0.2
Kansas	8.0	6.0	2.6	0.8
Kentucky	2.7	6.3	-2.5	1.1
Louisiana	7.5	1.6	2.1	-3.4
Maine	14.0	7.5	8.3	2.3
Maryland	10.4	7.8	4.8	2.5
Massachusetts	6.9	7.4	1.5	2.2
Michigan	2.4	4.2	-2.8	-0.9
Minnesota	6.7	0.8	1.3	-4.2
Mississippi	4.7	13.1	-0.6	7.5
Missouri	9.2	16.3	3.7	10.6

Montana	7.1	-4.8	1.7	-9.4
Nebraska	13.2	-2.7	7.4	-7.5
Nevada	27.5	-7.8	21.0	-12.3
New Hampshire	4.6	9.6	-0.7	4.2
New Jersey	18.0	10.4	12.0	5.0
New Mexico	7.6	1.7	2.2	-3.3
New York	10.9	9.8	5.2	4.5
North Carolina	19.6	6.9	13.6	1.7
North Dakota	13.6	0.4	7.9	-4.6
Ohio	11.4	10.2	5.8	4.8
Oklahoma	7.7	20.6	2.3	14.7
Oregon	4.1	-1.1	-1.2	-6.0
Pennsylvania	7.1	6.4	1.7	1.2
Rhode Island	10.1	3.5	4.5	-1.6
South Carolina	16.4	3.9	10.6	-1.2
South Dakota	12.9	6.8	7.2	1.5
Tennessee	28.7	4.8	22.2	-0.4
Texas	17.7	-6.8	11.7	-11.4
Utah	20.1	0.7	14.1	-4.3
Vermont	6.5	6.9	1.1	1.7
Virginia	37.9	4.9	31.0	-0.3
Washington	6.3	11.1	0.9	5.7
West Virginia	16.2	-1.1	10.3	-5.9
Wisconsin	14.3	7.7	8.5	2.4
Wyoming	-2.5	3.5	-7.5	-1.6
Total	11.4	6.7	5.7	1.5
Dist. of Col.	10.8	6.3	5.2	1.1

Table A-8

SELECTED FEATURES OF STATE WORKFORCES

State and Region	Number of Employees As Of 6/30/84	Estimated Number of Employees As Of 6/30/85	Percent Change From 1984 to 1985	Hiring Freeze In Effect	Travel Freeze In Effect
United States	1,865,323	1,898,302	1.8%		
New England					
Connecticut	45,673	46,770*	2.4%		
Maine	15,235	15,662	2.8		
Massachusetts	49,911	51,220	2.6		
New Hampshire	9,315	9,315	0.0		
Rhode Island	13,236	12,788	-3.4	eff. 1/85	
Vermont	6,413	6,397	-0.2		
Mideast					
Delaware	11,450	11,525	0.7		
Dist. of Col.	29,949	31,943	6.7		yes*
Maryland	50,661	51,311	1.3		
New Jersey	61,388	62,093	1.1		
New York	135,723	140,868	3.8		
Pennsylvania	84,053	83,000	-1.3	eff. 12/82-1/87	
Great Lakes					
Illinois	76,794	77,500	0.9	eff. 11/80	
Indiana	30,800	31,000	0.6		
Michigan	57,922	56,780	-2.0		
Ohio	55,100	55,600	0.9		
Wisconsin	27,968	27,895	-0.3		
Plains					
Iowa	23,446	23,300	-0.6	eff. 4/80*	eff. 4/85-6/85
Kansas	22,050	20,901	-5.2		
Minnesota	27,131	27,482	1.3		
Missouri	44,800	46,700	4.2		
Nebraska	15,437	15,835	2.6		
North Dakota	7,107	7,260	2.2	*	
South Dakota	7,510	8,037*	7.0		

Southeast				
Alabama	31,093	31,200	0.3	
Arkansas	17,217	18,641	8.3	eff. 3/80
Florida	106,714	111,120	4.1	
Georgia	65,958	66,510	0.8	
Kentucky	30,000	30,000	0.0	
Louisiana	58,518	57,642	-1.5	
Mississippi	28,917	29,463	1.9	
North Carolina	59,815	60,031	0.4	
South Carolina	34,956	35,243	0.8	
Tennessee	39,400	40,250	2.2	
Virginia	50,230	50,596*	0.7	
West Virginia	30,000	N/A	N/A	
Southwest				
Arizona	N/A	N/A	N/A	
New Mexico	18,143	18,500	2.0	
Oklahoma	35,101	35,932	2.4	
Texas	86,684	90,737	4.7	eff. 1/85*
Rocky Mountain				
Colorado	18,459	18,500	0.2	
Idaho	8,350	8,720	4.4	
Montana	10,523	10,471	-0.5	
Utah	12,600	12,630	0.2	
Wyoming	7,197	7,258*	0.8	*
Far West				
California	131,056	136,957	4.5	
Nevada	8,894	9,064*	1.9	
Oregon	26,386	26,598	0.8	
Washington	39,483	40,480	2.5	
Alaska	17,300	17,300	0.0	
Hawaii	13,257	13,372	0.9	

*Footnotes for tables begin on page 60.

Table A-9

SUMMARY OF STATE EMPLOYEE COMPENSATION PACKAGES
FY 83 to FY 86

State and Region	Average Increase FY 83	Average Increase FY 84	Average Increase FY 85	Average Increase FY 86
New England				
Connecticut*	9.0%	7.5%	5.0%	5.5%
Maine	7.0	3.5	3.5	5.0
Massachusetts	6.0	5.0	6.0	7.0
New Hampshire	0.0	9.0	6.0	5.0
Rhode Island	0.0	5.0	5.9	5.8
Vermont	8.5	8.0	3.5	4.0
Mideast				
Delaware	7.0	4.3	5.5	5.5-7.5**
Dist. of Col.	8.2	7.2	4.2	4.7
Maryland	10.5	0.0	6.0	5.5
New Jersey	10.5	6.5	8.5	8.5
New York	9.0	8.0	8.0	4-5**
Pennsylvania*	8.0	2.0	3.0	2.5**
Great Lakes				
Illinois	8.5	4.0	5.5	6.5
Indiana	0.0	8.0	8.0	5.0
Michigan	5.0	2-5	5.0	4.9
Ohio	5.0	5.0	0.0	4.0
Wisconsin	8.0	0.0	3.84	6.0**
Plains				
Iowa	8.0	0.0	6.6	2.6
Kansas	6.5	4.5	5.5	5.3
Minnesota	9.0	5.0	5.0	3.5**
Missouri	2% + $600	$240	7.0	8.0*
Nebraska	5.0	3.0	5.0	3.0**
North Dakota	8.0	2.0	2.0	5.5
South Dakota	5.0	4.0	4.0	4.0

Southeast				
Alabama	11.0%	0.0%	10.0%	0.0%
Arkansas	0.0	5.0*	9.3	0.0
Florida	7.0	2.71	4.29	5.0**
Georgia	4.5% + $624	8.5	8.5	11.5
Kentucky	5.0	5.0	2.0	3.0
Louisiana	2.9	2.9	2.9	2.9
Mississippi	3.0	10.0	0.0	10.0
North Carolina	N/A	5.0	10.0	8.0
South Carolina	2.0	5.0	8.0	5.0
Tennessee	3.0	0.0	2.0	0.0
Virginia	5.55	3.75	9.6	7.55
West Virginia	0.0	7.5	5.0	5.0
Southwest				
Arizona	4.5	5.0	7.4	6.5
New Mexico	9.0	0.0	6.0	2.0
Oklahoma	5-15	0.0	0.0	8.0
Texas	8.7*	4.0*	3.0*	3.0*
Rocky Mountain				
Colorado	8.75	5.95	7.65	5.34
Idaho	5.0	0.0	7.0	0.0
Montana	12.0	4.0	4.0	1.75
Utah	N/A	N/A	5.0	**
Wyoming	9.0	2.0	$25/mo	5.0
Far West				
California	0.0	6.0	10.0	6.5**
Nevada	13.0	5.0	10.5	18.0
Oregon	-2.0	0.0	0.0	5.0**
Washington	7.0	0.0	8.4	**
Alaska	1.67	3.33	0.0	5.0
Hawaii	10.0	3.0	2.0	5.0

*Footnotes for tables begin on page 60.

Table A-10

FY 1983 STATE EMPLOYEE COMPENSATION PACKAGE

State and Region	Total	Merit	Across-the-Board	Other
New England				
Connecticut	9.0%*		9.0%	
Maine	7.0		7.0	
Massachusetts	6.0		6.0	
New Hampshire				
Rhode Island	0.0			
Vermont	8.5		8.5	
Mideast				
Delaware	7.0		7.0	
Dist. of Col.	8.2		7.0	1.2*
Maryland	10.5		9.0	1.5*
New Jersey	10.5	3.5	7.0	
New York	9.0	0.0	9.0	
Pennsylvania	8.0	*	8.0	
Great Lakes				
Illinois	8.5*			
Indiana	0.0	0.0	0.0	
Michigan	5.0		5.0	
Ohio	5.0*		5.0	*
Wisconsin	8.0	2.0	6.0	
Plains				
Iowa	8.0		8.0	
Kansas	6.5		6.5	
Minnesota	9.0			
Missouri	2% + $600	1.0	1.0	$600
Nebraska	5.0	0.0*	5.0	
North Dakota	8.0*		8.0	
South Dakota	5.0		5.0	

Southeast				
Alabama	11.0	*	11	
Arkansas	0.0			
Florida	7.0		7.0	
Georgia	4.5% + $624	4.5%	$624	
Kentucky	5.0		5.0	
Louisiana	2.9	2.9		
Mississippi	3.0	3.0		
North Carolina	N/A			
South Carolina	2.0	2.0		
Tennessee	3.0		3.0	*
Virginia	5.55	1.55*	4.0	
West Virginia	0.0			
Southwest				
Arizona	4.5		4.5	
New Mexico	9.0	5.0	3.0	1.0*
Oklahoma	5-15%	0.0	5-15%	
Texas	8.7	*	8.7	
Rocky Mountain				
Colorado	8.75	1.25*	7.5	
Idaho	5.0	0.0*	5.0	
Montana	12.0	2.0	10.0	
Utah	N/A			
Wyoming	9.0		9.0	
Far West				
California	0.0*			
Nevada	13.0	5.0	8.0	
Oregon	-2.0		-2.0*	
Washington	7.0		7.0*	
Alaska	1.67			
Hawaii	10.0		10.0	

*Footnotes for tables begin on page 60.

Table A-11

FY 1984 STATE EMPLOYEE COMPENSATION PACKAGE

State and Region	Total	Merit	Across-the-Board	Other
New England				
Connecticut	7.5*		7.5	
Maine	3.5		3.5	
Massachusetts	5.0		5.0*	
New Hampshire	9.0		9.0	
Rhode Island	5.0*			5.0
Vermont	8.0		8.0	
Mideast				
Delaware	4.3		4.3	
Dist. of Col.	7.2		6.0	1.2*
Maryland	0.0			*
New Jersey	6.5	3.5	3.0	
New York	8-10		8-10	
Pennsylvania	2.0	*	2.0	
Great Lakes				
Illinois	4.0*			
Indiana	8.0	3.0	5.0	
Michigan	2-5*		2-5	
Ohio	5.0%		5.0%	*
Wisconsin	0.0			
Plains				
Iowa	0.0	0.0		
Kansas	4.5		4.5	
Minnesota	5.0			
Missouri	$240	0.0	0.0	$240
Nebraska	3.0		3.0	
North Dakota	2.0			2.0*
South Dakota	4.0		4.0	

Southeast				
Alabama	0.0	*	0.0	
Arkansas	5.0		5.0	
Florida	2.71		2.71	
Georgia	8.5	4.5	4.0	
Kentucky	5.0		5.0	
Louisiana	2.9	2.9		
Mississippi	10.0	3.0	4.0	3.0
North Carolina	5.0	0.0	5.0	
South Carolina	5.0	0.0	5.0	
Tennessee	0.0			
Virginia	3.75	0.0	0.0	3.75*
West Virginia	7.5			
Southwest				
Arizona	5.0		5.0	
New Mexico	0.0*			
Oklahoma	0.0			
Texas	4.0	*	4.0	
Rocky Mountain				
Colorado	5.95	1.25*	4.7	
Idaho	0.0	0.0*	0.0	
Montana	4.0	2.0	2.0	
Utah	N/A			
Wyoming	2.0		2.0	
Far West				
California	6.0*		6.0	
Nevada	5.0	5.0		
Oregon	0.0*			
Washington	0.0			
Alaska	3.33			
Hawaii	3.0		3.0	

*Footnotes for tables begin on page 60.

Table A-12

FY 1985 STATE EMPLOYEE COMPENSATION PACKAGE

State and Region	Total	Merit	Across-the-Board	Other
New England				
Connecticut*	5.0%		5.0%	
Maine	3.5		3.5	
Massachusetts	6.0		6.0*	
New Hampshire	6.0		6.0	
Rhode Island	5.9*			5.9
Vermont	3.5		3.5	
Mideast				
Delaware	5.5		5.5	
Dist. of Col.	4.2		3.0*	1.2*
Maryland	6.0		6.0*	*
New Jersey	8.5	3.5	5.0	
New York	8-10		8-10	
Pennsylvania	3.0	*	3.0	*
Great Lakes				
Illinois	5.5			
Indiana	8.0	3.0	5.0	
Michigan	5.0		5.0	
Ohio	0.0			*
Wisconsin	3.84		3.84	
Plains				
Iowa	6.6	2.6	4.0	
Kansas	5.5		5.0	$204
Minnesota	5.0			
Missouri	7.0	0.0	7.0	
Nebraska	5.0		5.0	
North Dakota	2.0			2.0*
South Dakota	4.0		4.0	

Southeast				
Alabama	10.0	*	10.0	
Arkansas	9.3*		9.3	
Florida	4.29		4.29	
Georgia	8.5	4.5	4.0	
Kentucky	2.0*		2.0	
Louisiana	2.9	2.9		
Mississippi	0.0	0.0	0.0	
North Carolina	10.0	0.0	10.0	
South Carolina	8.0	2.0	6.0	
Tennessee	2.0		2.0	*
Virginia	9.6	0.0	8.6	1.0*
West Virginia	5.0			
Southwest				
Arizona	7.4	2.4	5.0	
New Mexico	6.0		6.0	
Oklahoma	0.0			
Texas	3.0	*	3.0	
Rocky Mountain				
Colorado	7.65	1.25*	6.4	
Idaho	7.0	0.0	7.0*	
Montana	4.0	2.0	2.0	
Utah	5.0	2.0	3.0	
Wyoming	$25/mo		$25/mo	
Far West				
California	10.0		8.8	0.6*
Nevada	10.5	5.0	5.5	
Oregon	0.0*			
Washington	8.4			8.4
Alaska	0.0			
Hawaii	2.0		2.0	

*Footnotes for tables begin on page 60.

Table A-15
Revenue Adjustments

AL: Funds used to pay for Trade School and Junior College Authority Bonds and the administrative cost of the Revenue Department.

AK: Figures include repayments to General Fund, drilling credits, repeal and reappropriation, lapses, and other adjustments.

AZ: Tax Protest Fund Transfer and Revetments, changes in reserve and surplus adjustments.

CO: FY84: transfer from lottery fund.

CT: FY85: sales tax rate reduced.
FY86: sales tax rate reduced, plus $40 million in revenues transferred from FY85 into FY86.

GA: FY84: transfer to the Revenue Shortfall Reserve.

HI: Prior years' appropriation lapses, except for FY85 which also includes revenues saved due to selective spending cuts.

ID: FY86 represents Budget Reserve Account transfer to General Fund.

IL: FY85: rollover from temporary tax rate increases, tax amnesty, protest release, and defeasance of bonds.

IN: Reversions into General Fund.

IA: FY85: $8 million from Iowa Economic Emergency Fund.

KS: FY84: $7 million reappropriated; $1 million released from prior years.
FY85: $23 million acceleration of taxes; $14 million reappropriated.
FY86: $4 million tax acceleration.

KY: Transfer of agency funds pursuant to appropriation bill.

LA: Transfer of prior year royalty settlement into General Fund.

MA: Reversions from prior year.

ME: Special reserve requirement and repayment of Working Capital Advances.

MI: FY86: property tax rebates.

MN: Prior year adjustments including cancellation and carry-forwards.

MO: FY84: transfers to General Fund.

MT: FY84: accrual of interest earnings, etc.

NH: FY84: reflects sum of credits and charges to surplus representing various accounting adjustments at year-end.

NJ: FY84: direct charges to surplus.
FY85: estimated 1985 appropriation not expended.

NY: FY84: $500 million in receipts were impounded to repay a similar amount of tax and revenue anticipation notes issued to finance a major portion of FY83 operating deficit.

NV: Reversions and Controller's adjustments.

OH: FY84: outstanding obligations from prior years.
FY85: capital appropriation, plus cancel prior year encumbrances.

OK: FY84: one time transfer of monies not apportioned to various funds due to cash receipt/source recognition timing differences.

PA: FY83: $45 million in lapses.
FY84: $40 million in lapses.
FY85: $243 million proposed tax reduction and $35 million proposed tax stabilization reserve.

RI: FY85: reappropriations from prior year.

SC: FY85: transfer to General Fund from Surplus Revenue Fund.

SD: FY85 & FY86: transfers from Inflation/Stabilization Reserve Fund to General Fund.

UT: FY84: $55 million change in sales tax collection and $25 million general obligation notes.

VT: FY84 & FY85: non-budgetary additions to the General Fund.

VA: FY85 & FY86: capital outlay reversions and repayment of a General Fund loan by a special fund account.

WI: Departmental revenues from various fees and monies deposited in the General Fund.

WY: FY84: adjustments for accounts receivable.
FY85: reserve for carryover.

Table A-16
Transfers Into/Out Of The General Fund

AK: Funds transferred to Permanent Fund.

AZ: Excess vehicle license tax refunded from General Fund to Highway User Revenue Fund.

CA: In FY84, one-time budget balancing transfers from special funds were made. In normal years, most of the transfers represent revenues collected initially in a special fund and allocated to several funds including the General Fund.

CO: Pay-back to dedicated funds borrowed from in previous years.

CT: FY84: $165 million into Budget Stabilization Fund.
FY85: $30 million into Budget Stabilization Fund; $40 million of revenues into FY86; $104 million to Local Roads and Bridges Trust Fund.

DC: Transfers-in represent lottery revenues; transfers-out represent revenues to enterprise (University and hospital) and internal services funds.

DE: Transfers to Budget Stabilization Fund.

ID: Funds transferred to Budget Reserve Account.

IL: Out -- statutory percentage of income and sales tax receipts, general obligation debt service. In -- percentage of lottery sales, reimbursements due to accounting practices.

IN: Transfers to Property Tax Relief Fund and Budget Stabilization Fund.

IA: Transfers to Iowa Economic Emergency Fund.

KY: Transfers to General Fund Surplus Account.

LA: FY86: payment to state from City of New Orleans for World Fair Loan.

MA: FY85: $56 million to Stabilization Fund.
FY86: $13 million to Stabilization Fund.

ME: Increase in operating capital and working capital reserve.

MI: FY84: balance sheet reserve adjustments.
FY85 & 86: estimated transfers to Budget Stabilization Fund.

MN: Debt services, mining taxes, housing finance fund, etc.

MO: FY85: $130 million transfer for Cash Reserve Fund; and $29 million for a budget reserve.
FY86: $20 million for new Budget Stabilization Fund (legislation pending).

MS: FY86: transfer to stabilization reserve.

NH: FY85: Reflects adjustment to bring General Fund under GAAF accounting procedures.

NY: Includes funds transferred from the General Fund to Capital Projects and Debt Service Funds.
FY86· also includes transfer to education accumulation revolving account.

NC: FY87: transfer to highway fund.

ND: FY84: reflects net effect of cash transfers and expenditure of capital construction carry-overs from prior years.

NV: Transfer of appropriation between fiscal years.

OH: FY85: transfer of $125 million to Budget Stabilization Fund and $168 million lottery profits to Educational Excellence Investment Account and Savings and Loan Stabilization Account.
FY86: repayment to Wildlife Fund and Unemployment Account.

OK: FY84: withheld from FY84 appropriation process to augment cash flow monies available to FY85.
FY85: $37 million to Human Services Fund; $28 million increase in cash flow requirements.

SC: FY84: $59 million to General Revenue Fund and $21 million to School Building Fund.
FY86: $26 million to Capital Reserve Fund.

SD: FY84: transfer to Inflation/Stabilization Reserve Fund.

TN: Transfers are to capital outlays, highway and debt service funds.

TX: Net transfers in and out: Departmental, Operating Fund, and Residual Equity.

WA: FY85: transfers to Revenue Accrual Account.

WI: FY84: reserved for biennial appropriations not fully expended in FY84, and unspent funds in the compensation reserve.

WY: FY85 & 86: transfer to/from Budget Reserve Account.

Table A-13

FY 1986 STATE EMPLOYEE COMPENSATION PACKAGE

State and Region	Total	Merit	Across-the-Board	Other
New England				
Connecticut	5.5%*		5.5%	
Maine	5.0		5.0	
Massachusetts	7.0		7.0*	
New Hampshire	5.0		5.0	
Rhode Island	5.8*			5.8
Vermont	4.0		4.0	
Mideast				
Delaware	5.5-7.5*		5.5-7.5*	
Dist. of Col.	4.7		3.5	1.2*
Maryland	5.5		4.0	1.5*
New Jersey	8.5	3.5	5.0	
New York	4-5*		4-5	
Pennsylvania	2.5**	*	2.5	
Great Lakes				
Illinois	6.5			
Indiana	5.0	2.0	3.0	
Michigan	4.9*		4.9	
Ohio	4.0**		4.0	*
Wisconsin	6.0**	2.0	4.0	
Plains				
Iowa	2.6	1.6	1.0	
Kansas	5.3			5.3
Minnesota	3.5**			
Missouri	8.0		8.0	
Nebraska	3.0		3.0	
North Dakota	5.5	5.5		
South Dakota	4.0	4.0*		

Southeast				
Alabama	0.0	*	0.0	
Arkansas	0.0			
Florida	5.0		5.0	
Georgia	11.5	4.5	7.0	
Kentucky	3.0*		3.0	
Louisiana	2.9	2.9		
Mississippi	10.0	4.0	4.0	2.0
North Carolina	8.0**	3.0	5.0	
South Carolina	5.0	1.0	4.0	
Tennessee	0.0*			
Virginia	7.55	1.55*	6.0	
West Virginia	5.0			
Southwest				
Arizona	6.5	2.5	4.0	
New Mexico	2.0*		2.0	
Oklahoma	8.0*			
Texas	3.0*			
Rocky Mountain				
Colorado	5.34	1.25*	4.09	
Idaho	0.0	0.0	0.0	
Montana	1.75		1.75	
Utah	**			
Wyoming	5.0		3.5	1.5*
Far West				
California	6.5**			
Nevada	18.0	5.0	13.0	
Oregon	5.0**	*	3.0	2.0
Washington	**			
Alaska	5.0			
Hawaii	5.0		5.0	

*Footnotes for tables begin on page 60.

Table A-14

MAGNITUDE OF FY86 STATE TAX CHANGES

Tax Increases

Less Than $20 Million	$20-$100 Million	$100 Million Or More
Alaska	Arkansas	Florida
Hawaii	Arizona	Illinois
Kansas	Colorado*	Indiana
Maryland	Iowa	Oklahoma
Montana	Kentucky	Tennessee*
New Mexico	Mississippi	
Nevada	Missouri	
South Dakota	Nebraska	
Vermont	North Dakota	

Total = 23 States

Tax Decreases

Less Than $20 Million	$20-$100 Million	$100 Million Or More
New Hampshire	Connecticut	Michigan
	Delaware	Minnesota
	Massachusetts	New Jersey
	Rhode Island	New York
	West Virginia	North Carolina
	Wisconsin	Ohio
		Oregon
		Pennsylvania

Total = 15 States

Note: Some tax proposals are still pending.

*Extended temporary tax increases

Notes - Table A-8

Some figures listed are not as of June 30. However, these figures provide a good indication of the change in workforce from FY 84 to FY 85. These workforce figures are Full Time Equivalent only; they do not include elementary, secondary, or higher education employees.

CT: 1985 figure is as of 2/28/85.

DC: Have a Congressionally-imposed ceiling on spending for out-of-district travel.

IA: 1980 hiring freeze was tightened in 1985.

ND: Before filling vacancies or replacements, prior approval from the Office of Management and Budget is required.

NV: Represents authorized positions.

SD: This figure is the budgeted FY 85 number. The budgeted FY 84 number is 8,023, although actual employees total 7,510.

TX: Governor and legislative leadership called for an informal freeze pending resolution of 1986-87 biennial budget.

VA: Total permanent employment has decreased since Jan. 1982, but decreases in higher education employment have been offset by increases in other areas.

WY: 1985 legislation restricts filling new General Fund positions between July 1985 and July 1988. Vacancies may be filled.

Notes - Table A-9

Many of the employee payroll changes were not in effect at the beginning of the indicated fiscal year, but were delayed several months. Nevertheless, these figures pro-

vide information on payroll base changes that occurred within a fiscal year.

**Proposed or pending

AR: In FY 84, the minimum increase was $400 and the maximum increase was $1200.

CT: Figures represent across-the-board increases. There are 27 collective bargaining units, which makes it too difficult to summarize.

PA: Employees not at top of pay range receive an annual increase of about 4.5%. This represents about 35% of all employees.

TX: Agencies authorized to use lapsed funds to give additional merit increases to deserving employees ranging from 3.4 - 6.8%.

Notes - Table A-10

Some of the employee payroll changes were not in effect at the beginning of the fiscal year, but were delayed several months.

AL: Employees received a 5% anniversary increase, plus a 2½-5% merit increase given to about 1/2 of the workforce.

AR: Employees received a 5.5% anniversary increase.

CA: In lieu of a salary increase, the state increased its retirement contribution by up to $50/month per employee.

CO: Employees receive a 5% merit increase for the first 5 years, then wait 5 years for next increase and then are topped out.

CT: Have 27 different bargaining units. Too difficult to summarize.

DC: A longevity increase is an average; not all employees receive an increase each year, but those that do receive about 3%.

ID: A merit increase was authorized, but no funding was provided.

IN: Merit compensation employees (non-union) received 5% merit increase; union employees received 2% plus a 1.5% step increase.

MD: An additional 1.25% is allocated for step increases.

ND: Funds for automatic across-the-board increases were not released; only salary increases based on exemplary performance and/or pay inequities were allowed.

NE: Agencies had discretion to give merit raise.

NM: Represents exemplary performance awards.

OH: Increase is 5% or 40¢/hour, whichever is greater. Also, most employees are eligible for annual step increase of about 5%.

OK: Personnel system revised.

OR: General funded agency personnel had a 2% salary reduction due to economic conditions. Merit increases of 5% (up to top of pay range) continued from savings realized from vacancies, etc.

PA: Employees not at the top of their pay range received an annual increase of about 4.5%. This represents about 35% of all employees.

TN: A 4% step increase granted for employees with 1 year or more of service.

TX: Agencies authorized to use lapsed funds to give additional merit increases to deserving employees ranging from 3.4% to 6.8%.

VA: Merit increases of 4.56% are paid to all classified employees not at the top of the pay scale for their job class. This results in a net cost of 1.55% of salaries.

WA: Increase effective last day of FY 83.

Notes - Table A-11

Some of the employee payroll changes were not in effect at the beginning of the fiscal year, but were delayed several months.

AL: Employees received a 5% anniversary increase, plus a 2½-5% merit increase given to about 1/2 of the workforce.

AR: The minimum increase was $400 and the maximum was $1200.

CA: Benefit increases constitute an additional one percent.

CO: Employees receive a 5% merit increase for the first five years, then wait five years for next increase, and then are topped out.

CT: Have 27 different bargaining units. Too difficult to summarize.

DC: A longevity increase is an average; not all employees receive an increase each year, but those that do receive about 3%.

ID: A merit increase was authorized, but no funding was provided.

IL: Merit compensation employees (non-union) received 4%; union employees received 2.5% plus 1.5% step increase.

MA: In addition, there is a $2/week employer fringe contribution.

MD: 1.25% allocated for step increases.

MI: Amount varies depending upon bargaining unit.

ND: Represents increased state retirement contribution in lieu of general salary increases.

NM: Salary adjustments are provided for lower-paid, female-dominated classes. Increases ranged from 5-15%.

OH: Increased 5% or 50¢/hour, whichever is greater. Also, most employees are eligible for annual step increases of about 5%.

OR: Merit increases allowed, but must be funded from other personnel services savings.

PA: Employees not at the top of their pay range receive an annual increase of about 4.5%. This represents about 35% of all employees.

RI: Increased $17 per week which is a 5% average increase.

TX: Agencies authorized to use lapsed funds to give additional merit increases to deserving employees ranging from 3.4 to 6.8%.

VA: State assumed the cost of the employees' share of retirement. The annual cost was 5% of salaries, but only three-fourths of the year was funded.

Notes - Table A-12

Some of the employee payroll changes were not in effect at the beginning of the fiscal year, but were delayed several months.

AL: Employees received a 5% anniversary increase plus a 2½-5% merit increase given to about 1/2 of the workforce.

AR: In addition, a 5.5% step increase was provided.

CA: Represents a pay equity adjustment.

CO: Employees receive a 5% merit increase for the first 5 years, then wait 5 years for next increase, and then are topped out.

CT: Have 27 different bargaining units. Too difficult to summarize.

DC: The 3% across-the-board increase is a one-time bonus. The 1.2% is an average longevity increase that not all employees receive. Those that do receive about 3%.

ID: The payline was adjusted so that about half received a 5% increase and half received a 10% increase.

IL: Merit compensation employees (non-union) received a 5% increase; union employees received 4.5% plus 1.5% step increase.

KS: $204 is one-time increase totalling 0.5%.

KY: A state statute requires that employees receive a 5% increment pay increase each year. For FY85 and FY86, the legislature suspended the statute and the Attorney General took the issue to court. The court decided to uphold the legislative action, but it is currently being appealed.

MA: In addition, there is a $4/week employer fringe contribution.

MD: An additional 1.25% is allocated for step increases.

ND: Represents state retirement contribution in lieu of a general salary increase.

NM: Represents a 4% salary increase, plus an increased employer share of retirement contributions from 50%

to 65% and increased employer share of health insurance for employees earning $25,000/year and less.

OH: Most employees are eligible for annual step increases of about 5%.

OR: Merit increases allowed, but must be funded from other personnel services savings.

PA: Other: 2% bonus for employee merit: at pay range 43 and below who were at their maximum pay step since July 1983. Merit: Those not at the maximum step received about a 4.5% increase. This represents about 35% of all employees.

RI: Increased $17/week or 5.5%, whichever is greater.

TN: A two-step or 8% increase was granted for employees with 2 years or more of service.

TX: Agencies authorized to use lapsed funds to give additional merit increases to deserving employees ranging from 3.4 to 6.8%.

VA: The state assumed the cost of the employees' share of group life insurance, which cost 1.0% of salaries.

Notes - Table A-13

Some of the employee payroll changes were not in effect at the beginning of the fiscal year, but were delayed several months.

**proposed or pending.

AL: Employees received a 5% anniversary increase, plus a 2½-5% merit increase given to about 1/2 of the workforce.

AR: A 5.5% anniversary step increase was provided.

CO: Employees receive a 5% merit increase for the first 5

years, then wait 5 years for the next increase, and then are topped out.

DC: A longevity increase is an average; not all employees receive an increase each year, but those that do receive about 3%.

DE: Lower half of the merit scale to receive a 7.5% increase and the high half of the merit scale to receive a 5.5% increase.

IL: Merit compensation employees (non-union) received 6.%%; union employees received 5% plus a 1.5% step increase.

KY: A state statute requires that employees receive a 5% increment pay increase each year. For FY85 and FY86, the legislature suspended the statute and the Attorney General took the issue to court. The court decided to uphold the legislative action, but it is currently being appealed.

MA: In addition, there is a $4/week employer fringe contribution.

MD: An additional 1.25% is allocated for step increases.

MI: Amount varies depending upon bargaining unit.

NM: Represents $250 across-the-board increase and increased employer share of retirement contributions from 65% to 75%.

NY: Collective bargaining is now in process and several packages have been agreed to ranging from 4-5%.

OH: Most employees are eligible for annual step increase of about 5%.

OK: 8% for 1st $30,000 and 6% for wages over $30,000.

OR: Merit increases allowed, but must be funded from other personnel services savings.

PA: Other: In FY 86, certain managers will be eligible for a performance award of $0 - $1,800. Merit: Those not at the maximum step received about a 4.5% increase. This represents about 35% of all employees.

RI: Increased $17 per week or 5.5%, whichever is greater.

SD: Pay raises for state employees, except for certain categories, will be based on merit rather than across-the-board.

TN: A 5% step increase granted for employees with 1 year or more of service.

TX: Agencies authorized to use lapsed funds to give additional merit increases to deserving employees ranging from 3.4 - 6.8%.

VA: Merit increases are paid to all classified employees not at the top step of the pay scale for their job class. This results in a net cost of 1.55% of salaries.

WY: Depending on conversion factor when converting to new compensation plan.